AIR FORCE AUDIT AGENCY

PERFORMANCE PLAN

Vision for the Future

OFFICE OF THE SECRETARY

21 January 2000

MEMORANDUM FOR ALL AFAA PERSONNEL

FROM: SAF/AG

SUBJECT: AFAA Performance Plan

Attached is the AFAA's new performance plan for the period FY 2000-2004. Identifying meaningful measures and setting future targets and goals was a difficult and challenging task considering the changing Air Force and audit environments. However, I believe we have successfully developed measures that focus on the key objectives in our strategic plan and reinforce our values -- support for the customer, professionalism, and support for our members.

The performance plan includes 13 performance measures and associated targets and goals, and 11 additional data items that we will track and assess. The annual targets are established and lead to the 5-year goals for each measurement. Each year we will assess how we performed against our goals and provide the results in the annual performance report. Between the 3 and 5-year points we plan to reassess the measures and realign the performance plan with an updated strategic plan.

The attached goals are established at the Agency-level. Therefore, they may not translate directly to division, region, office, or auditor-goals. Accordingly, I expect each Assistant Auditor General to provide further guidance on implementing these goals within their directorates.

I look forward to working with you as we embark on this plan.

JACKIE R. CRAWFORD
The Auditor General

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AIR FORCE CUSTOMERS

We serve our customers through independent, responsive and quality audit services. Our goal is to sustain our prior advancements and maintain a high level of customer support. We will continue to focus on areas such as customer needs, timeliness, and return on investment.

Measurement Area 1 - Audit Products Production

Providing audit services to all levels of Air Force management is the reason we exist. Our strategic plan recognizes the likelihood of additional products and services based on customer needs and desires. Consequently, in designing performance measures, we have provided for a variety of products and services. The addition of new services, along with staff downsizing, will likely decrease the number of traditional audit reports the AFAA will issue in future years. Conversely, we believe technology initiatives and reengineered audit processes will reduce cycle time and increase productivity. To recognize both traditional and new audit products/services, we will track productivity through a product equivalent measure.

Measure 1A
Measures centrally managed efforts that result in a HQ USAF or MAJCOM product.

Measure 1A	Baseline	FY00 Target	FY04 Goal
Product Equivalents - CDA	127	121	128

Baseline: Computed using FY 98 results

Means of Computation: CDA product equivalent targets and goals are calculated as follows:

• Computed average CDA product equivalent of .585 per AFAA/FS/MS authorizations (127 product equivalents in FY 98 divided by 217 staffing authorizations in FY 98)

• Annual targets computed by multiplying .585 times the authorized staffing for that year. Adjusted targets upward to reflect annual growth rate of 2% in productivity

CDA product divisions receive equivalents for:

- • Audit reports
  - • All Air Force-level reports issued will receive a product equivalent of 1

- • Management advisory service (MAS) projects
  - • A completed MAS will receive the following product equivalents based on total project hours
    - • less than 800 hours = .25 product equivalent
    - • 800 – 1,199 hours = .50 product equivalent
    - • 1,200 hours or more = .75 product equivalent

• AFAA/DO will make this determination at the end of the project

• FS/MS AAGs may, in coordination with AFAA/DO, award a higher product equivalent if they believe the project was especially significant or the effort required was not accurately reflected in the hours charged

• Other Centrally Directed Audit Products

• Other centrally directed products include, but are not limited to projects that result in a memo, compendium-type summary reports, and participation in joint service audits that require significant hours but do not result in an AFAA report

• Products must be addressed to a three-letter SAF/AF/MAJCOM office or higher

• These products will receive the following product equivalents based on total project hours
  • 400 - 799 hours = .25 product equivalent
  • 800 – 1,199 hours = .50 product equivalent
  • 1,200 hours or more = .75 product equivalent

• AFAA/DO will make this determination at the end of the project

• FS/MS AAGs may, in coordination with AFAA/DO, award a higher product equivalent if they believe the project was especially significant or the effort required was not accurately reflected in the hours charged

• Controlled Self-Assessments

• Controlled self-assessments will receive .125 product equivalent for each assessment report issued

Measure 1B

Measures installation-level efforts that result in a product.

Measure 1B	Baseline	FY00 Target	FY04 Goal
Product Equivalents - Installation	1,871	1,787	1,751

Baseline: Computed using FY 98 results

Means of Computation: Installation product equivalent targets and goals are calculated as follows:

• Computed average installation product equivalent of 3.31 per AFAA/FD/MSR authorizations (1,871 product equivalents in FY 98 divided by 565 staffing authorizations in FY 98)

• Annual targets computed by multiplying 3.31 times the authorized staffing for that year.

Area audit offices receive an equivalent of 1 for each:

• Installation-level audit report (regular, CAP, special, interim)
• Installation-level MAS project (greater than 40 hours)
• CDA data gathering/assist work (greater than 40 hours) where no installation report is issued
• CDA MAS assist effort (greater than 40 hours)

Measurement Area 2 - Report Quality Assessments

Provide well-written audit reports addressing issues of high interest to Air Force officials.

Measure 2A
This measure addresses (a) organization, professional presentation and readability of Air Force-level audit reports, (b) whether the report objectives address customer high-risk areas, and (c) innovation in audit application.

Measure 2A	Baseline	FY00 Target	FY04 Goal
Report Quality Assessment - CDA	17.82	17.0 or Better	17.0 or Better

Baseline: Computed using FY 98 results

Means of Computation: Use current rating form

- AFAA/DO will maintain the data after SAF/AG completes the rating

Measure 2B
This measure addresses (a) organization, professional presentation and readability of installation-level audit reports, (b) whether the report objectives address customer high-risk areas, and (c) innovation in audit application.

Measure 2B	Baseline	FY00 Target	FY04 Goal
Report Quality Assessment - Installation	16.02	16.0 or Better	16.0 or Better

Baseline: Computed using FY 98 results

Means of Computation: Use current rating form

- AFAA/FDE/FDW/MSR region or deputy region chief completes the rating

- AFAA/FDE/FDW/MSR will summarize the data for their region

- AFAA/FD will merge the data for the three regions and provide to AFAA/DO

Measurement Area 3 - Customer Service Investment

We are committed to enhancing support to Air Force officials by offering a variety of products and services. The breadth of products is intended to encourage increased interaction with customers and participation in management decision forums.

Measure
This measure tracks time expended on nontraditional audit services for management.

Measure 3	Baseline	FY00 Target	FY04 Goal
Customer Service Time 14.5%		Minimum 10% Maximum 25%	Minimum 10% Maximum 25%

Baseline: Computed using FY 98 results

Means of Computation: Use AFAA Management Information System

- Includes time charged to MAS, CAP, briefing lessons learned (reports from other installations), internal control training for clients, controlled self assessments, and other customer efforts
- Floor for each year is 10 percent of direct time
- Maximum is 25 percent of direct time
- AFAA/DO will obtain data from Management Information System

Measurement Area 4 - Customer Interaction/Responsiveness

Corrective actions taken during audits show open communications and positive auditor/client interaction. This measure encourages increased use of this technique.

Measure 4A

This measure assesses communication and positive interaction with HQ USAF customers during the project cycle. The measure reports the percentage of CDA reports issued where management completed a corrective action before report issuance.

Measure 4A	Baseline	FY00 Target	FY04 Goal
Corrective Actions Completed During Audit - CDA	33.7%	34.0%	35.4%

Baseline: Computed using FY 98 results

Means of Computation: Use AFAA Management Information System

- Any finding with completed (not promised) corrective action qualifies
- Out-year goals represent 1 percent annual growth rate
- AFAA/DO will obtain data from Management Information System

Measure 4B

This measure assesses communications and positive interaction with our installation customer during the project cycle. The measure reports the percentage of installation-level reports issued where management completed a corrective action before report issuance.

Measure 4B	Baseline	FY00 Target	FY04 Goal
Corrective Actions Completed During Audit - Installation	44.3%	44.7%	46.5%

Baseline: Computed using FY 98 results

Means of Computation: Use AFAA Management Information System

- Any finding with completed (not promised) corrective action qualifies
- Out-year goals represent 1 percent annual growth rate
- AFAA/DO will obtain data from Management Information System

Measurement Area 5 - Customer Service Assessments

To provide quality audit service, we will survey our customers to obtain their opinion on the value of our products and services. This action allows us to adjust our approach, as well as products and services, to meet the changing needs of the Air Force.

Measure 5A
This measure provides feedback on how well our products satisfy Air Force-level clients.

Measure 5A	Baseline	FY00 Target	FY04 Goal
Customer Product Satisfaction - CDA	4.23	4.2 or Better	4.2 or Better

Baseline: Used FY 98 survey results

Means of Computation: Use current customer satisfaction survey

   • AFAA/DS will summarize and provide results to AFAA/DO

Measure 5B
This measure provides feedback on how well our products satisfy installation-level clients.

Measure 5B	Baseline	FY00 Target	FY04 Goal
Customer Product Satisfaction - Installation	4.19	4.2 or Better	4.2 or Better

Baseline: Used FY 98 survey results

Means of Computation: Use current customer satisfaction survey

   • Each region will track and provide results to AFAA/DS
   • AFAA/DS will summarize and provide results to AFAA/DO

Measurement Area 6 - Timeliness

To improve the timeliness of our products, we will reduce the cycle time required to perform our audits. We will achieve reductions through technological advances such as local area networks; automated workpapers; electronic transmission of data, reports, etc.; reengineered processes; and improved computer capabilities.

Measure 6A
This measure tracks the number of calendar days for an Air Force-level project from start of planning phase to release of draft report to management.

Measure 6A	Baseline	FY00 Target	FY04 Goal
Audit Cycle Time - CDA	326	319	293

Baseline: Computed using FY 98 data

Means of Computation: Use AFAA Management Information System

- Measured from project start to release for comments
- Baseline reduced 2 percent each year based on
    - Technological improvements
    - Improved working relations with management
    - Reengineered CDA processes
- AFAA/DO will track using existing expended days analysis

Measure 6B
This measure tracks the number of calendar days for an installation-level project from start of planning phase to release of draft report to management.

Measure 6B	Baseline	FY00 Target	FY04 Goal
Audit Cycle Time - Installation	129	126	116

Baseline: Computed using FY 98 data

Means of Computation: Use AFAA Management Information System

- Measured from project start to release for comments
- Baseline reduced 2 percent each year based on
    - Technological improvements
    - Improved working relations with management
    - Reengineered local processes
- AFAA/DO will track using existing expended days analysis

Measurement Area 7 - Potential Monetary Benefits

Potential monetary benefits (PMB) highlight opportunities for putting funds to better use. To maintain PMB, we will focus our audits on high payoff areas.

Measure
This measure tracks PMB identified during the year.

Measure 7	Baseline	FY00 Target	FY04 Goal
Potential Monetary Benefits	$1.0 Billion	Greater Than $1.0 Billion	Greater Than $1.0 Billion

Baseline: Used FY 98 productivity target

Means of Computation: Determined based on the judgment of AFAA senior management. (The Air Force budget not expected to rise significantly over this planning period.)

- AFAA/DO will track using Management Information System

Measurement Area 8 - Return on Investment

Return on investment (ROI) indicates how efficiently AFAA generates potential monetary benefits for the Air Force and the degree to which AFAA recovers its cost of operations. This goal is established at the Agency level.

Measure
This measure assesses changes in the ROI.

Measure 8	Baseline	FY00 Target	FY04 Goal
Return on Investment	15.9:1	15:1 or Better	15:1 or Better

Baseline: Used FY 98 data

Means of Computation: Comparison of PMB identified in the AFAA Management Information System and operating costs identified by AFAA/FM. (Slightly lower targets set because of increasing financial statement audits that do not normally lead to savings.)

- Claimed PMB divided by actual operating cost
- AFAA/DO will track using Management Information System and data obtained from AFAA/FM

AFAA CUSTOMERS

AFAA members are our most important resource. To accomplish our mission, we must communicate clearly and effectively with each other. Also, we want to recognize members' outstanding audit performance, professional accomplishments, and support for AFAA quality initiatives. Finally, we need a trained professional work force contributing to every aspect of AFAA operations.

Measurement Area 9 - Communication

We will increase Agency-wide communications through more effective staff meetings, electronic information dissemination, and feedback through AFAA publications.

Measure
This measure assesses members' perceptions on the effectiveness of AFAA communications processes.

Measure 9	Baseline	FY00 Target	FY04 Goal
Employee View of Communication Effectiveness	3.40	3.46	3.74

Baseline: Used FY 98 survey results

Means of Computation: Annual performance measurement survey

- Survey will use 5-point scale
- AFAA/DS will survey work force annually
- Baseline increased 2 percent per year
- AFAA/DS will provide results to AFAA/DO

Measurement Area 10 - Awards and Recognition

We will stimulate the performance and professional accomplishments of AFAA members through increased use of AFAA awards and recognition programs.

Measure
This measure evaluates members' satisfaction with AFAA awards and recognition programs.

Measure 10	Baseline	FY00 Target	FY04 Goal
Employee Satisfaction With Recognition Programs	3.02	3.08	3.32

Baseline: Used FY 98 survey results

Means of Computation: Annual performance measurement survey

- Survey will use 5-point scale
- AFAA/DS will survey work force annually
- Baseline increased 2 percent per year
- AFAA/DS will provide results to AFAA/DO

Measurement Area 11 - Audit Management and Technical Training

We will provide a training program that meets employee and organization needs. Training includes quality, timely training activities that relate to career progression and professional development (e.g., timely functional training, internal and external technical training in support of auditor and administrative job skills).

Measure
This measure assesses members' satisfaction with AFAA efforts to provide a quality training program.

Measure 11	Baseline	FY00 Target	FY04 Goal
Employee Satisfaction With Training Program	3.17	3.23	3.48

Baseline: Used FY 98 survey results

Means of Computation: Annual performance measurement survey

- Survey will use 5-point scale
- AFAA/DS will survey work force annually
- Baseline increased 2 percent per year
- AFAA/DS will provide results to AFAA/DO

Measurement Area 12 - Work Environment

We strive to become a more responsive organization that continually seeks improvement in the work processes and environment of AFAA employees.

Measure
This measure evaluates members' awareness of AFAA actions taken to provide a quality work environment.

Measure 12	Baseline	FY00 Target	FY04 Goal
Employee View of Work Environment	3.21	3.27	3.53

Baseline: Used FY 98 survey results

Means of Computation: Annual performance measurement survey

- Survey will use 5-point scale
- AFAA/DS will survey work force annually
- Baseline increased 2 percent per year
- AFAA/DS will provide results to AFAA/DO

OTHER GOVERNMENT AND
PRIVATE SECTOR CUSTOMERS

We will enhance coordination, cooperation, communications, and planning with Congress, DoD, other government and professional organizations, and private sector customers. We will encourage participation and self- improvement for all employees.

Measurement Area 13 - Membership in Professional Organizations

This measure will focus on our interaction with other professional organizations such as the AICPA, IIA, ASMC, AGA, and other similar organizations. Interaction with other professional organizations helps develop cooperative relationships and continuously improves our organizational capabilities and practices.

Measure
This measure tracks our level of interaction with other professional organizations.

Measure 13	Baseline	FY00 Target	FY04 Goal
Membership in Professional Organizations	46.6%	48.6%	56.6%

Baseline: AFAA/RM provided data for FY 98

Means of Computation: Directorates will report data to AFAA/RM

- Number of AFAA employees who have professional organization memberships divided by the total number of AFAA employees
- 2 percent increase per year
- AFAA/RM will track and report based on input from each directorate

CUSTOMER SUPPORT/PRODUCTIVITY DATA

The following data elements are helpful in assessing customer support productivity and support to AFAA members. Many of these data elements were used in preceding performance measures. Because trade off is possible between different types of audit services (regular audits vs. MAS) or time utilization (applying audits vs. training), we are not setting specific goals for these data elements, but we will track and evaluate trends.

1. Number of CDA starts

2. Number of audit reports
    a. CDAs
    b. Installation reports

3. Number of management advisory service engagements
    a. CDA level
    b. Installation level (locally initiated)

4. Percent direct time

5. Percent CDA time

6. Percent of concurrence with recommendations
    a. CDAs
    b. Installation reports

7. Percent of reports with findings
    a. CDAs
    b. Installation reports

8. Percent of reports with PMB
    a. CDAs
    b. Installation reports

9. Professional Military Education
    a. Number and percentage of members who have completed PME
    b. Number of PME participants in current FY
    c. Number of members nominated for in-residence courses

10. Percent of audits using Computer Assisted Auditing Techniques (CAATs)
    a. CDAs
    b. Installation reports

11. Percent of audits using statistical sampling methodology
    a. CDAs
    b. Installation reports